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NATIONAL REVIEW

Bulletin

The Prisoners are still in Cuba p. 1

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The joy we share with the reunited Cuban families makes difficult any act of cold strategic superordination: but somebody has to say it and, sigh, it looks as though it has to be us.

1. What has gone under the name of a privately negotiated deal with Fidel Castro, by which the prisoners were exchanged for $53 million worth of drugs, is a sham. The $53 million will, by devious means, come out of the United States Treasury. And needless to say, negotiations with the chief of state of a country unrecognized by the United States, a country, moreover, which recently armed itself to deliver nuclear devastation on the United States, is not a matter for free enterprise. James Donovan got the go-ahead from the government, and was in constant, clandestine contact with it.

2. It is not possible to expunge our guilt by such an artifice as contracting for the return of the prisoners. The tragic indecision of the President of the United States in April 1961 caused two catastrophes, one minor, the other major. The former was the capture of one thousand heroes. The latter was the failure to liberate an enslaved people, who went on, who go on, suffering the ordeal of life under a Communist dictator. The attempt to redeem the minor catastrophe is only honorable if it can be accomplished without damaging effect to the major objective, which continues to be the liberation of all of Cuba.

3. The U.S. Government's deal, though highly satisfying emotionally, is, in its own way, a continuation of the original act of ambiguity. Our official policy towards Cuba is, granted, difficult to describe. But it calls, at least, for hard economic sanctions against the Cuban Government, on the assumption that these will drain its strength, and make more likely the successful overthrow of Castro. To that end the United States has been hotly urging on its partners a boycott of Cuba. Recently the President himself announced we would not give cargoes to ships bringing supplies to Cuba, thus hoping to make the round-trip from European ports economically inefficient. What must our allies think now? Our government has given Fidel Castro what he most urgently wanted: $53 million worth of drugs. (We know this is what he most urgently wanted —because this is what *he* asked for. He could have had anything.) A per capita equivalent for the United States would be medical supplies worth *one and one-half billion dollars*. Having furnished Cuba with a lavish supply of what it needed most, how can we convincingly ask our allies to make the economic sacrifices necessary to forge an effective boycott? Why—the Canadian or English or Greek merchant will say to himself—should I penalize myself economically by refusing to accept Cuban business, at the request of a country that just finished delivering Cuba from a most acute and dangerous shortage?—the kind of shortage it is the very purpose of America to generate?

Once again, the sentimentalization of public policy, the refusal to focus hard and clear, the lack of will, the absence of strategy. God grant the returning soldiers a happy future; but since their peace of mind, according to their own statements, is dependent upon the liberation of their homeland, they are, ironically, inadvertent instruments for the postponement of the liberation of their own people.

The WEEK

● Yugoslavia is independent of Moscow, because the Yugoslavian dictator Tito has just ended a luxuriant business-and-pleasure trip to the Kremlin and its orrery of hunting preserves and dachas. During his Moscow spree, Tito announced that Yugoslavia and Moscow are in substantial agreement on almost all points, because Yugoslavia remains independent of the Soviet bloc. As he bade a fond adieu to Moscow, Tito announced that Yugoslavia was independent of the Soviet bloc, because the Kremlin announced that Nikita Khrushchev would spend his vacation shortly in Yugoslavia. That's why the 88th Congress will vote to pass a few more hundred million dollars to Tito in 1963—because it's independent of the . . .

● Junius Scales, the North Carolina Communist who was imprisoned last year for knowingly conspiring to overthrow the Government of the United States by force and violence, and who has never cooperated with the government's anti-Communist efforts, was given a pardon by President Kennedy at Christmas time, in response to pres-

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sure from Free Scales committees manned primarily by persons who are against the very existence of the Smith Act. In sharp contrast: David Greenglass, who received a thirty-year sentence in 1951 even after turning state's evidence against the Rosenbergs, languishes in jail. Free Greenglass committees make no headway, either with Presidents, or with the Liberal intelligentsia. If one of these days you find yourself about to go to jail for having tried to overthrow the Government of the United States, do yourself a service and guarantee yourself the formation of a Free You Committee, by refusing to cooperate with the government.

Party (© *Rheinischer Merkur*)

"Excuse me . . . may I?"

● A very serious case can be made for the development of the Skybolt—which so disruptively began to cry and kick just when the doctors had pronounced it dead—and quite apart from the very real stake our country has in doing its diplomatic best to inflate the sputtering prestige of Harold Macmillan. Turn England over to the Labor Party, and 1) the expansion of the Common Market is jeopardized (and unless it continues to expand, it will consolidate into a Continental cartel), and 2) the neutralist forces in England, which are growing in strength all the time, will have themselves a long lever on foreign policy through a compliant government notoriously susceptible to the pacifist views of the English crackpotterie. But the other argument has to do with the continuing need for the diversification of our weapons system, so as always to confront the enemy with an array of forces impervious to single-strike neutralization. Instead we are going to spend the money on the moon-men. The Pentagon has reportedly urged the Administration to bear in mind that if we let down our guard, by 1970 Americans won't be able to travel to Staten Island, let alone to the moon. But the Administration remains, in this matter, as in so many others, moonstruck.

● During the last week of October the finance ministers of the Latin American nations and sundry diplomats met in Mexico City to discuss the first year of the Alliance for Progress. Teodoro Moscoso, U.S. chief for the Alliance, spent one of those days in private conference with Juan José Arévalo, who was in town in an excessively private capacity. Arévalo, a protégé of Communist Mexican labor leader Lombardo Toledano, became president of Guatemala in 1944. "The start of the rise of the Communists," explained the *New York Times* (as usual, a good many years later), "can be dated from the moment Professor Arévalo assumed power." It was Arévalo who in 1950 arranged the election of Communist Jacobo Arbenz Guzmán as his successor, under whom Communism came within a hair of establishing a hemispheric beachhead six years before Castro. Since Castillo Armas' overthrow of Guzmán, Guzmán and Arévalo, following instructive visits behind the Iron Curtain, have spent their time trying to organize a revolutionary band to force their way back to power. Moscoso's Mexican tête-à-tête with Arévalo is believed to be the tipoff for a discreetly rumored development: Juan José Arévalo is being groomed as the Kennedy Administration's chosen instrument to replace the pro-American, anti-Communist, daringly anti-Castro Guatemalan president, Miguel Ydígoras Fuentes.

● The simultaneous victories of the African nationalist [black supremacy] party in Northern Rhodesia and the Rhodesian Front [white supremacy] party in Southern Rhodesia virtually insure the breakup of the Federation of the Rhodesias and Nyasaland in the near future. Hastings Banda, chief of Nyasaland's all Negro government, declared his determination to break away; Kenneth Kaunda, principal leader in the winning Northern Rhodesian combination, says he will not stay linked to a white-ruled Southern Rhodesia. It seems likely that some of central and eastern Africa may be in turmoil before the new year grows old.

● A nine-man committee has proposed, after three years of study, a profit-sharing plan for the employees of Kaiser Steel, the nub of which is that the employees will get 32.5% of whatever cost reductions come about as a result of their own effort or of new capital investment. Other provisions are that Kaiser employees will in no case draw less total compensation than the employees of other producers, and that the company will maintain an "employment pool" for workers laid off because of automation. No matter how the details finally shape up (and the plan must go to a union vote), two aspects seem disturbing. It adds further rigidity to a labor structure already so hemmed in that a great portion of it can choose only between unemployment or a privileged position behind the protective skirts of legal monopoly; and it subtracts from the incremental advantage of fresh investment. Over the long run such plans can only aggravate the problem of structural unemployment, which arises when it becomes impossible for people to find work except at uneconomic wages. And to the extent that the plan may require some Kaiser employees to give up what is now called their "overcompensation" under present incentive plans, it explains

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why organized labor unions have found it so hard to gain new members in the last seventeen years.

● The judge seems to suspect there was something corrupt going on in the jury room, which is a most natural thing to suspect, considering that if Jimmy Hoffa actually sat in Memphis for nine whole weeks without corrupting somebody, it would probably be for the first time since he was six. Though the official announcement has not been made, no doubt the government will retry the case, hoping next time to find a jury all of whose members will do their duty, even if Diogenes has to be awakened to find them.

Staaam-peed!

In the fizzenless tones of lovelorn impotence the President had beseeched them to hold off, calm down, negotiate. Secretary of Labor Willard Wirtz tried to stop them too, but when the 80-day wait imposed by invoking the Taft-Hartley law ran out two days before Christmas, 75,000 longshoremen quit the docks, and the lifeblood of ocean trade from Searsport, Maine to Brownsville, Texas coagulated. The longshoremen said they'd work a few cargoes—food, fuel—but as to the nation's business, the hell with it. "Detrimental to the national economy," says Labor Secretary Wirtz, "detrimental to the national health and welfare . . . chokes the lifeline to the world economy." But the strike goes on.

In New York City a handful of typographers, who already earn as much as John Glenn, astronaut, decided to reach for the moon in their own way, whether their avarice ruins the free press or not. They struck four dailies; five others closed down; and since December 8 the nation's communications capital has had to scrounge for news; men seeking work haven't been able to advertise; twenty thousand journalists and other pros of the press have gone idle, or taken temporary jobs elsewhere; the corner newsstand suffers; plays, movies, books, musical recitals cry in the wilderness. A terrible thing, says the Administration, but the strike goes on.

In California the Taft-Hartley shot is wearing off at Lockheed, and the union bosses who would throw a man into the street rather than allow him to work as a non-union member, will soon have a chance to halt one of the nation's most important aeronautical plants. The Administration put pressure on Lockheed to impose a union shop; Lockheed resisted; the Administration wails that you *can't* strike a strategic industry. But the strike date approaches, and Washington produces only words, and more words.

The railway operating unions, whose efforts to preserve "jobs" for men who don't perform useful work have so far been rebuffed in the courts, may declare a nation-wide rail strike within a few months. The President could hold that one off for 60 days under present law, but beyond that he's powerless.

PEOPLE: Reason for **Bobby Kennedy's** lightning trip to Brazil Christmas week: to impress on President **Goulart** that unless Brazil takes steps to halt inflation and lays off U.S. property, the U.S. will (Scout's honor) go slow on Alliance for Progress in Brazil. Mission considered urgent in the light of probable Goulart win in Brazilian referendum next week, restoring full presidential powers. . . . Long-standing rumors that **Dean Rusk** on way out reinforced when Pres. **Kennedy** chose to take Defense Secretary **McNamara** and not Rusk to Bermuda huddle with **Harold Macmillan.** Skybolt wasn't only issue discussed. . . . Proposed **McClellan** bill to subject transportation unions to anti-trust laws expected to gain in popularity if longshoreman strike continues too long; if RR unions carry out their strike threats. . . . Former Gov. **Goodwin Knight** making a bid to head **Rocky**-for-President California GOP delegation to '64 convention.

United States refused a fortnight ago to give **A. M. Azahari,** Indonesian-born leader of abortive Brunei rebellion, a visa to come to the States and present his case to United Nations. Azahari has close ties with Indonesian Communist Party. . . . British demanding explanation for **Sukarno** speech in support of Brunei rebels. . . . Prospects for pan-Arabia appear no better for 1963: Tunisian Pres. **Habib Bourguiba** suspects leftist Algerian leaders, abetted by revolutionary forces in Egypt, were behind attempted Tunisian military coup last week. . . . Growing friction between **Nasser** and Moroccan Sultan **Hassan** has led to postponement of Nasser's proposed trip to **Rabat.**

Senate Internal Security Subcommittee cancelled its Dec. 20 hearing for which Katanga Information chief **Michel Struelens** had been subpoenaed. That leaves Struelens under subpoena, could complicate desperate State Department attempts to get him deported. . . . Assistant FBI director **William C. Sullivan,** whose recent statement that the far Right is "every bit as subversive . . . as the far Left" surprised all on the Right, turns out to be Bobby Kennedy's boy; perhaps being groomed as **Hoover's** successor. . . . Rep. **Clarence Cannon** (D., Mo.), chairman of vital House Appropriations Committee, has become first congressman to file for '64 elections. (Rep. Cannon is 83.)

Sen. **Ellender,** now back from his country-hopping African trip says he did say what he said he didn't say after they said he had said it about the Africans' non-ability to govern themselves and added: "Africans had better learn to take objective criticism."

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Boeing may face a strike over the union shop on January 15; wage negotiations in the steel industry (remember Roger Blough, that terrible threat to the economy?) are coming up; Jimmy Hoffa keeps writing more and more trucking contracts that expire on the same date—setting the stage for a nation-wide arrest of the trucking industry.

This is labor on the rampage, killing production, squeezing the innocent, sapping the national defense, deflecting the flow of world trade, gutting the dollar, flouting the government, penalizing that great majority of working people who are *not* unionized. Such wanton abuse of power and privilege cannot survive if the Republic is to survive, and if the Administration cannot or will not write a reasonable proposal to halt the madness, Congress should. The Congress of the United States, that is; not the Congress of Industrial Organizations. Presumably there is a distinction.

Come Out Fighting

When it convenes on January 9, the 88th Congress will carry into the Capitol the conservative-Liberal debate whose outlines acquired political significance in the November elections.

A half dozen Administration officials have already popped off, as befits the Windbag Method of Popular Government: the program, they say, will be "emasculated" unless the House votes to continue the Rules Committee in its recent plethora, with fifteen members, under a rule Sam Rayburn limited to one year. Well, that rule passed by only five votes before, and since then the conservative voice has gained strength in the House—and anyway, with the Rules Committee almost wholly in hand, last session, the Kennedy Administration could cudgel only a few of its legislative schemes through Congress. Windbag's puff at the Rules Committee seems less an attack than a premature defense: maybe JFK is laying some groundwork for a 1964 campaign slogan, reminiscent of Harry Truman: a "do-nothing Congress."

Congress, for its part, may very well vote to cut the Rules Committee back to twelve members with enough starch in them to rough up the probable mess of Kennedy proposals which Congress (having studied the election lesson) may have its own reasons for ducking.

It was a *hard* noise on Cuba that swung a lot of votes, for instance, and that means something for the foreign aid fight coming up. The Republican (and conservative) gains in the South mean something in the next debate about Senate filibustering. The widespread consideration of tax reform may generate pressures Congress would like to see shunted aside, perhaps into the void of the Rules Committee.

The Administration will surely strut its stuff for the peanut crowd in the top balcony: medical care, siphoned off Social Security; federal intervention in public schooling; a Department of Urban Affairs; mass transport schemes; the proposal for iron control of agricultural

° At Home °

Washington

President Kennedy's handling of the Skybolt Affair is being cited by here as a typical example of his Administration's approach. In every phase, Mr. Kennedy has been less than candid with the American people—and with our allies.

1. The President stated publicly that the Skybolt's technology was too sophisticated for U.S. scientific capabilities. This was hotly challenged by Air Force experts, but in the censorship-ridden Pentagon all protests were silenced. The successful sixth test, made without the President's prior knowledge and greeted by a violent fit of Kennedy temper, proved how right the Air Force had been.

2. Though the Skybolt combines the best of conventional and missile-age weaponry, it was rejected on the highly dubious ground that it would be "obsolete" before it could be operational. Air strategists insist however, that the supersonic bomber-Skybolt system would be a vastly important addition to the Western arsenal in the continuing cold war. It can threaten, yet be called back. And it multiplies by many times the punch of the Strategic Air Command.

3. In arguing against the presumably excessive cost of Skybolt, the President carefully gave the impression that the research and development to make it operational would cost another $2.5 billion. The fact is that most of that sum would go for the actual production of the missile —which means that it would be shared substantially by the British. No price tag has been offered for the cost of substituting the Polaris missile.

4. Perhaps unjustly, it is being suggested that the thumbs-down announcement on the Skybolt was intended as a squeeze on Prime Minister Macmillan. It is no secret that the White House Palace Guard has little patience with the lukewarm conservatism of the present British Government and would be much happier if it could deal with an ideologically more congenial Labor Party. By openly humiliating Macmillan, the President has underwritten a new British parliamentary crisis.

Whether Mr. Kennedy has also stoked up a crisis of his own remains to be seen. Air power proponents in the Congress are still seething over the Administration's arbitrary refusal to spend appropriated funds for development of the B-70 and the more advanced RS-70 supersonic bomber. Before the successful Skybolt test, there was muttering on Capitol Hill for an investigation of the Pentagon. Now it will take a massive effort by Administration ball-carriers in Congress to prevent a Donnybrook over the entire missile program.

In the past, the opposition has been relatively quiet.

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But the Cuban crisis forced the Administration to admit that the U.S. has a lead of at least 6-to-1 in missiles over the Soviet Union. Given this preponderance, it can no longer be claimed that any review of Pentagon policies will run counter to the national interest. Republicans on the Hill have for some time been aware of waste, favoritism and extravagance in military spending. It is hard to believe that they will not seize on the Skybolt Affair, using it as a lever to pry apart the Pentagon's Iron Curtain.

The President can expect trouble of another sort when the House of Representatives meets to organize in January. In order to ram through the biggest budget in history—just short of $100 billion—the White House has been planning to pack the tax-writing Ways and Means Committee, enlarging its size and giving it a more Liberal coloration. At the same time, preparations have been made for a legislative blitz which will continue the House Rules Committee at its present size of fifteen members. (It was packed in 1961 in an attempt to break the Southern Democratic-Republican hold, but reverts automatically to its previous size in 1963.)

For the past weeks, Democratic legislative leaders in the House have been counting noses and engaging in high-pressure log-rolling. Mr. Kennedy has beaten the drums for a rubber-stamp Congress by informing friendly correspondents that unless the Rules Committee is packed, his whole program will be "emasculated." But it required the help of 22 Republicans, held together by Representative Thomas Curtis, to win in 1961. Republican Leader Charles Halleck does not intend to allow this to happen again, and he has a stronger and better organized GOP contingent to work with this session.

Unless there is a considerable change of heart in the House, Mr. Kennedy will have a difficult time with any Rules change. The effort to enlarge the House Ways and Means Committee may yet be abandoned. For Administration scouts on the Hill report that further tampering with the legislative process will stiffen congressional backs and may arouse enough hostility to make the 88th Congress even less productive than its predecessor body.

Meanwhile, back at the State Department, the middle echelon has been watching the Dominican election with ill-concealed glee. The new Dominican president, Juan Bosch—already hailed by the press as another George Washington—is part of a left-wing group which includes Gov. Muñoz Marín of Puerto Rico and Pres. Rómolo Betancourt of Venezuela, as well as Costa Rica's Jose Figueres and Peru's Raul Haya de la Torre. Governor Muñoz has already been moderate at home. Will Señor Bosch follow the Puerto Rican or the Cuban example?

QUINCY

enterprise. All of these proposals (proposed budget: 99 billion dollars) have a vested interest in the gathering wrangle over House Rules and Senate filibuster. Better to dissect the Kennedy proposals in public, identify their fatal flaws, and bury the corpses. They're dead anyway, and one thorough autopsy should suffice.

Now you all know the rules. When the bell rings, come out fighting.

BRIEFS: Authoritative post-election breakdown shows important GOP gains over last non-Presidential election year: Of additional 5.8 million who voted in '62 (over '58), 4.2 million were Republicans; GOP totalled 31% of vote in South as against 16.3% in '58. . . . Final AFL-CIO accounts show COPE (Committee on Political Education) spent $728,000 between Jan. 1 and Nov. 1, 1962. . . . **While tax talk centers around cuts, Federal Government coming into $2 billion tax bonanza on Jan. 1 when Social Security payroll tax goes up 1%. . . .** UN budgeteers estimate UN costs in 1962 were $502 million, of which U.S. provided $235 million, or close to 50%. . . . U.S. deficit in international balance of payments in calendar 1962 was $2 billion; in '61 it was $2.5 billion. Situation eased by accelerated repayment of debts by France, other West European nations. . . . Tit for tat: Angry over U.S.'s anti, or at best neutral, attitude toward Portugal in the UN, Portuguese are asking $80 million annual rental for Azores air bases (which have been rent-free since end of WW II). That's precisely what it's costing Portugal to keep her troops in rebellion-torn Angola.

Confidential International Commission report on death of three Red Cross aides in Katanga a year ago blames death on Ethiopian troops. UN has denied report, but paid compensation to families of victims. . . . More than half of the Congo's budget goes to its army. . . . Indian sources claim Red China lost 18,000 troops in the Ladakh region during October-November fighting.

English gambling casinos, legalized a year ago, are doing such spiffy business that stock of Crockfords, the first casino to open, is selling at £45 a share, up from original marketing price of 10 s. . . . Influential *Economist* suggests in serious lead article that administrative capital of Britain be built (Brasilia-like) just south of Scottish border. Suggested name: Elizabetha.

Not amused: the Army. And undelivered: a letter. Why? It was addressed to Pvt. So-and-So c/o PM, U.S. Occupation Forces, Oxford, Miss.

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• Trends •

The Struelens Case

At its most ominous level, the case of Michel Struelens is a sign of America's moral and intellectual decrepitude in its confrontation with world Communism. Viewed in less catastrophic terms, it has subsidiary portents; it is, in fact, the very model of an official venture in "managed news."

Michel Struelens serves in New York City as information officer for the anti-Communist Government of Katanga. In the fall of 1961, following an unprovoked UN attack on Katanga, Struelens was called into the U.S. Immigration Office in New York City. The official in charge asked him for his passport and wrote on it that Struelens' American visa, by order of the Secretary of State, had been invalidated.

The result of this action was a loud protest by several senators and congressmen, a babble of explanations by the State Department, and a great deal of public confusion. The Senate Internal Security Subcommittee, at the request of Senator Thomas Dodd (D., Conn.), opened an investigation into the matter to find out what had happened.

There the matter rested until a few weeks ago, when the State Department once more moved against Struelens —informing him he would have to leave the country. In the midst of renewed controversy, the Senate Subcommittee published a lengthy report on the previous episode, proving the State Department had tried to silence Struelens for one reason only: he was in disagreement with State Department doctrine. The Subcommittee discovered, as it went along, that almost everything the Department had to say on the subject was either a misrepresentation or an evasion.

Some of the matters on which, the Subcommittee concluded, the Department had been lax with the truth:

1. When he was called before the Subcommittee, Struelens testified he had been on extremely cordial terms with the State Department up through August 1961—having as a matter of fact in that month gone on a secret mission to the Congo at State Department request. State Department officials flatly denied this, but under cross-examination backed down. The Subcommittee found Struelens was telling the truth, and the State Department was not.

2. When Struelens was called to come down to the immigration office, he was not told his visa was to be cancelled. He was told, instead, that immigration officials wanted only to "look at" his passport.

3. The State Department said Struelens had exceeded the proper scope of his visa. The Subcommittee found the issuing officer had himself written on the visa the functions Struelens was to perform in America, and these were precisely the functions he did perform.

4. The State Department said Struelens' ejection from America was mandated by the UN action in the Congo. "The resolutions of the United Nations security council have called for the termination of his service." The committee found this to be completely false.

5. The State Department retreated to another position: that it had itself made a technical error in issuing Struelens the wrong kind of visa, and for this reason had to withdraw it. Under senatorial questioning, Under Secretary George McGhee acknowledged that even this was a subterfuge, enabling "[us] to protect ourselves against his efforts . . . to undermine our policies."

6. Assistant Secretaries of State G. Mennen Williams and Carl T. Rowan delivered speeches on the same day—December 27—attacking what Williams called the "well-financed propaganda machine" of Katanga; Rowan said Struelens had been "spreading around at least $140,000 during the last year." *Newsweek*, obviously acting on "leaked" information, had earlier charged Struelens had spent $140,000 in six months. Drew Pearson, with typical restraint, refined this to $100,000 in one month.

The truth: Struelens had spent $40,000 in 1960, including the cost of setting up his office; and $100,000 in 1961—not all of which had been expended when Rowan made his speech. These sums, the Subcommittee proceedings revealed, were considerably smaller than those most foreign information offices spend, and proportionately less than the amount spent by the public relations firm of the Central Congolese Government. Although this latter agency failed to register as a foreign agent until public protest was made, Mr. Rowan had nothing critical to say about it.

7. Assistant Secretary Williams caused the issuance of a statement accusing Struelens of involvement in an effort to "bribe" the Government of Costa Rica into recognizing Katanga. This charge was denied by Costa Rican officials, and no evidence was ever produced to support it.

8. The Subcommittee states: "the evidence in hand strongly indicates that sources in the Department of State at different times circulated the story that certain speeches delivered on the floors of Congress dealing with the Congo had been written in whole or in part by Mr. Struelens." That charge was printed by Drew Pearson on the same day as the Rowan and Williams speeches, and two days later by a reporter for the *Washington Post*. The Subcommittee found it to be totally unsupported.

Other examples of State Department mendacity were unearthed by the Subcommittee, but those listed above will suggest the flavor of the thing. The net effect is that, in order to protect a suicidal foreign policy, U.S. officials sought to silence a dissenting voice; and in order to cover up the silencing, it resorted to distortion, half-truth, and several outright falsehoods. All in all, a foray into "managed news" which would have put Orwell to shame.

M. Stanton Evans

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• Abroad •

Bonn. Herr Kai-Uwe von Hassel, who replaces Strauss as Defense Minister in the Bonn government, is little known abroad but well known inside West Germany. He was an important figure in the Bundestag in 1953 to 55. Since then he has been Chief Minister of Schleswig-Holstein and political boss of north Germany. Von Hassel was born in what was (in 1913) German East Africa. He speaks perfect English and French and fluent Swahili. He is a firm conservative, anti-socialist as well as anti-Communist; and (in his own words) "an out-and-out European" favoring an "all-embracing" Europe that will include Britain. He has long been intimately concerned with problems of German rearmament. Comparatively young (49), many believe that von Hassel is a probable candidate for chancellor, after a brief tour by Erhard.

Algiers. According to the latest statistics, 675,000 refugees of French origin left Algeria for France this year. Of these, 530,000 had to apply for relief or assistance from public authorities; 170,000 had arrived in earlier years, making a grand total of 845,000. About 180,000 remain in Algeria. Also this year, especially since independence (July 1), tens of thousands of Arabs have also transferred to France, taking advantage of the option under the Evian agreement that permitted them to retain French citizenship upon declaration prior to December 31, 1962.

London. The natural result of the decision, six years ago, to revoke the law that had limited the height of buildings to 100 feet is growingly conspicuous on the London skyline. In practice, the new limit seems to be set at about 400 feet. The new Vickers building, for example, rises 380 feet just up river from Westminster. The Hilton Hotel, sprouting right up from Hyde Park Corner, is about the same. The London City Council has approved more than 250 applications for high buildings. The widely criticized appearance of the Shell building, among the first to be finished, has led to demands that more attention be paid to aesthetic along with utilitarian aspects in granting approval. The Council now stipulates that "design and finish" must be of "exceptionally high standard" as against the previous requirement for "sufficiently high quality." It is also being urged to take into account the effect on views of special visual significance, so that such areas as the Buckingham Palace complex will not be overshadowed by high neighbors (two are currently under consideration). Somewhat ironically, the Commissioners of the Church of England have already got approval for a lofty headquarters that will ruin the famous view of St. Paul's cathedral from Waterloo Bridge.

Brunei. In the exceedingly complex background of the revolt, in this British Protectorate, Chinese, Philippine and Indonesian components have been widely recognized. It has not been much noticed that there is also a "Katanga factor." Brunei, with its abundant oil fields the analogue of Katanga's copper mines, is on a per capita basis much the richest of the regions slated to join in greater Malaysia. The rebel force, calling itself the North Borneo National Army, wore Buffalo Head badges, symbol of the Raayat Party, the local indigenous political organization to which Azahari, the announced chief of the revolt, belongs. Raayat has come out flatly against federation, and on that platform recently won 54 out of 55 local district elections, and all the elective seats in the Brunei legislature.

"Bang goes our next Trafalgar Square demonstration"

Paris. It seems almost certain, now, that the two great temples of Abu Simbel on the Nubian Nile will disappear beneath the waters rising behind the slowing advancing works of the Aswan Dam. Italian engineers had drawn up a remarkable scheme for raising the colossal structures 200 feet by cutting them away from the rock cliffs out of which they are carved and jacking them up millimeter by millimeter on concrete pillars growing beneath them. Financing was to be carried out through UNESCO, but early this month UNESCO's annual conference formally declined to be banker by a reluctant vote of 37 for, 28 against, 19 abstaining and 29 absent. From a technical standpoint, the Egyptian government cannot wait longer than to March 30 to know whether the money will be made available. Unless other nations follow the example of the Sheik of Kuwait, who has offered a $5.5 million contribution, the temples will be preserved only in the magnificent photographs, drawings and studies made over the past three years by the team of archaeologists.

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° The Investor °

Growth and the Private Investor

"In a free world, business and development go where they can make money easiest, fastest, and safest." Sound words from a leading German banker that should be recited morning and night by our policy-makers, and by every Afro-Asian politician. At a time when economic growth has become a central fixation, this maxim expresses a simple truth that has been hidden by the burgeoning rhetoric of socialism. How is growth achieved? Who pays for it?

Professor Glauco Della Porta, Mayor of Rome and chief economist for Banco di Roma, has stated, "Somebody must pay for growth. In Europe, growth was paid for by the workers. Until recently, workers have held wage increase demands below increases in productivity. This has permitted large investment in industry, and has contributed to monetary stability." With productivity savings going into lower costs, European plants were able to capture foreign markets.

Professor Della Porta's statement would be interpreted by Liberals and labor leaders to mean that progress in a free capitalistic world is attained by the deprivation of the proletariat. This assumption is a consequence of socialism's preoccupation with the laboring class, rather than looking at society as a whole. In fact, the prime beneficiary of the higher standard of living brought by economic growth with price stability is the consumer class—and that includes everybody.

When wages and fringe benefits reach such heights that they choke off profits and inhibit investment, society does not benefit. We take great pride in this country in being democratic and devoted to the interests of all—not just special groups. Nothing spurs progress more or distributes its benefits more widely (and thus democratically) than lower prices or better quality at stabilized prices. The consumer will buy if price and quality are right.

Taxes that stultify incentive do not merely harm those who pay the tax. They are sand in the gears of progress. Even a Liberal Administration highly sensitive to the whims of labor leaders has been forced to the recognition that our economic policies are archaic. President Kennedy is facing up to the hard fact that profitless business doesn't supply the taxes needed to finance New Handoutism, and that reduced capital investment doesn't benefit the economy by "job protection"—it merely raises prices and undermines our competitiveness. Stagnation doesn't just happen—it is the consequence of ill-conceived policies or downright foolishness.

America's spectacular growth was founded on its having the largest free trade area in the world. With such a mass market, mass productive and distributive machinery was fashioned, providing the American consumer with lower prices. Europe has always been hampered by a fragmentation of the market. This problem is being solved by the Common Market. As a result, European mass producers of automobiles, steel, appliances, etc., are able to challenge our splendid isolation in which we were able to raise wages and prices at will. Three factors combine to make this challenge effective: lower wage levels, modern plant and equipment kept up-to-date by rational depreciation laws, and growing technical know-how.

However, these factors do not add up to catastrophe for the U.S. All that is needed for us to compete effectively is an unleashing of our latent vigor. It seems that the statist resistance in Washington may be melting before the hot winds blowing from modern European blast furnaces.

We cannot expect a complete *volte-face* from an Administration that referred to businessmen as "sons of bitches." One reason that tax reform may be delayed is that revenues must be kept up to finance defense, farm, and foreign aid programs. The first is strategically necessary, the second is politically necessary, but the third is in trouble and may well be cut.

Foreign aid hampers economic growth at home by draining off tax dollars from the productive capacity of this nation, and tends to hamper economic growth abroad by discouraging foreign aid recipients from carrying out the necessary internal reforms that will create an attractive, stable investment climate. Without private capital, prosperity will not be achieved.

A profit is not without honor save in a socialist country. Liberalism in this country and abroad has managed to apply a pejorative connotation to the word profit: the insults reached a crescendo when President Kennedy tramped on the steel industry and declared that its profits were "high enough." It may be that this event was a high-water mark in the Liberal assaults on profits. J. Kenneth Galbraith's "Economic Development in Perspective" shocked many by its advocacy of the profit system as the best way to judge success of an industry. Since Galbraith is to Liberal economists what Linus Pauling is to bomb-banners, this may signal a softening of the Liberal attitude toward profits. Furthermore, if Khrushchev is successful in his introduction of greater incentive into the Soviet economy, Liberals may start advocating that we imitate Russian methods in that respect as well.

This nation will make its greatest contribution to world progress if it respects the maxim enunciated at the beginning of this article. Private capital investment is the key to growth.

NORVIN R. GREENE

(We regret that, due to a typographical error, the number of 707's delivered by Boeing was listed in the last issue as 420. The figure should have been 320.)

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